

Most industries are expected to experience job growth this year.

Economy Slowly Starting to Improve

It has taken awhile, but the initial steps of a self-sustaining economic recovery may be taking hold. This is a national economic view, and since Utah's economy seems to be currently tied to the national economic performance, this finding should also apply to Utah. A self-sustaining economic recovery is one characterized with both rising employment and consumer spending.

Even with this improvement in the economy, the unemployment rate may not show much improvement as we move through 2011. Utah's year-over-year employment growth rate is currently around 1.0 percent, and is expected to rise throughout 2011 to around 2.0 percent by year's end. Unfortunately, that is not enough growth to make much, if any, dent on the state's unemployment rate.

Utah has lost around 85,000 jobs during this recession. Unemployed have risen from roughly 45,000 to 102,000, producing an unemployment rate around 7.4



percent. If marginally attached (occasionally looking) and discouraged unemployed were also included, the unemployed would rise to around 130,000, and the rate to roughly 9.2 percent. A 2.0 employment growth rate by year's end would mean a gain of around 22,000 of the 85,000 lost jobs.

Job growth will lower the ranks of the currently unemployed, but it will also encourage some of the discouraged workers who left the labor market to start looking for work again, thus possibly keeping the volume of those unemployed in the official unemployment rate calculation unchanged. In other words, the projected job growth will move people off unemployment, but discouraged workers starting to look for work again may keep the unemployment rate from falling very much.

Nearly all industries are expected to experience job growth in 2011, even construction and manufacturing. The only industry not expected to see growth is financial activities. ⓘ